aberdeen Investments

abrdn (Lothian) Pacific Basin Trust

Annual Long Report
For the year ended 31 January 2025

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Contents

Report of the Manager

abrdn (Lothian) Pacific Basin Trust (the "fund") is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The effective date of the authorisation order made by the Financial Services Authority (the "FCA") was 26 March 1986.

The fund was established by Trust Deed entered into on 25 March 1986 and is an authorised unit trust scheme which falls into the category of UCITS scheme. Its FCA Product Reference Number ("PRN") is 109487.

Appointments

Manager

abrdn Fund Managers Limited

Registered office

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London
EC2M 4AG

Correspondence address

PO Box 12233
Chelmsford
CM99 2EE

Investment Adviser

abrdn Investment Management Limited

Registered office

1 George Street
Edinburgh
EH2 2LL

Correspondence address

1 George Street
Edinburgh
EH2 2LL

Trustee

Citibank UK Limited

Registered office

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Registrar

SS&C Financial Services Europe Limited
SS&C House
St. Nicholas Lane
Basildon
Essex
SS15 5FS

Independent Auditor

KPMG LLP
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

Report of the Manager

Continued

Significant Events

The military offensive from Russia against Ukraine since February 2022 continues to pose widespread sanctions on Russian assets. Geopolitical events can adversely affect assets of funds and performance thereon. To ensure the fair treatment of investors, Aberdeen's Investor Protection Committee (IPC) undertakes regular reviews of market liquidity across each asset class and fund, making appropriate adjustments where necessary.

Aberdeen's Valuation and Pricing Committee (VPC) also continue to review the valuation of assets and the recoverability of income from those assets making appropriate adjustments where necessary. The VPC is made up of a wide range of specialists across Aberdeen with a wide range of experience in asset pricing.

As at 31 January 2025, abrdn (Lothian) Pacific Basin Trust has not been suspended and based on the Manager's assessment of the factors noted, above, has adequate financial resources to continue in operation.

Effective 12 March 2025 abrdn plc changed name to Aberdeen Group plc.

Developments and Prospectus Updates Since 1 February 2024

- On 27 February 2024, Martin Kwiatkowski was appointed as a director of abrdn Fund Managers Limited;
- On 15 March 2024, Fraser Tulloch was appointed as a director of abrdn Fund Managers Limited;
- On 2 September 2024, Michael Champion and Philip Wagstaff were appointed as directors of abrdn Fund Managers Limited;
- On 27 November 2024, Jamie Matheson and Carolan Dobson resigned as directors of abrdn Fund Managers Limited;
- The list of funds managed by the Trust Manager was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate;
- The list of eligible markets was refreshed, where appropriate;
- The list of sub-investment advisors to the funds was refreshed, where appropriate;
- The risk disclosures in relation to the funds were refreshed, where appropriate.

Assessment of Value (Unaudited)

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdn Fund Managers Limited is required to perform a detailed assessment on whether our funds are "providing value to investors". The resulting findings will be published within 4 months of the fund year end date and can be found on the 'Fund Centre' pages of our website.

Climate-related Financial Disclosures (Unaudited)

The recommendations by the Taskforce for Climate-related Financial Disclosures (TCFD) – initiated by the Financial Stability Board in 2015 and adopted in 2017 – provide organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24 the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA-regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD. As a result of the disclosure requirements the fund is required to perform a detailed annual assessment, determining financial impacts of climate-related risks and opportunities. The resulting findings are published on our website at **Fund literature | aberdeen**.

Statement of Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each interim and annual accounting period which give a true and fair view of the financial position of the fund and of the net revenue and net capital gains or losses on the property of the fund for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Manager's Statement

In accordance with the requirements of the COLL Rules as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of abrdn Fund Managers Limited, the Authorised Fund Manager.

Aron Mitchell
Director
28 April 2025

Adam Shanks
Director
28 April 2025

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the abrdn (Lothian) Pacific Basin Trust for the period ended 31 January 2025

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), and the Trust Deed and the Prospectus of the Trust (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored, and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulation and the Scheme Documents of the Trust; and,

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

Citibank UK Limited
28 April 2025

Independent Auditor's Report to the Unitholders of the abrdn (Lothian) Pacific Basin Trust ("the fund")

Opinion

We have audited the financial statements of the fund for the year ended 31 January 2025 which comprise the Statement of Total Return, the Statement of Change in Unitholders' Funds, the Balance Sheet, the Related Notes and Distribution Table for the fund and the accounting policies set out on pages 21 to 22.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the fund as at 31 January 2025 and of the net revenue and the net capital losses on the property of the fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the fund or to cease their operations, and as they have concluded that the fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the fund's business model and analysed how those risks might affect the fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the fund will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Independent Auditor's Report to the Unitholders of the abrdn (Lothian) Pacific Basin Trust ("the fund")

Continued

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any.

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's responsibilities

As explained more fully in its statement set out on page 5, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going

Independent Auditor's Report to the Unitholders of the abrdn (Lothian) Pacific Basin Trust ("the fund")

Continued

concern; and using the going concern basis of accounting unless they either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Wiqas Qaiser
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Castle Terrace
Edinburgh
EH1 2EG
28 April 2025

Investment Report

Investment Objective

To generate growth over the long term (5 years or more) by investing in Asian equities (company shares).

Performance Target: To achieve the return of the MSCI AC Asia Pacific ex Japan, plus 2% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: The Investment Association Asia Pacific ex Japan Equity Sector Average.

The Manager believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asian countries, including Australasia, or companies that derive a significant proportion of their revenues or profits from Asian, including Australasia, operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific ex Japan is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 6%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI AC Asia Pacific ex Japan over the longer term.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

Over the period under review, the Trust rose by 12.85% (Source: ABOR, net of fees). This compared to an increase of 20.73% for the constraining benchmark (the MSCI AC Asia Pacific ex Japan). (Source: Factset).

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Investment Report

Continued

The fund posted solid double-digit gains in absolute terms but underperformed the benchmark over the period, driven primarily by our exposure to China, Hong Kong and Indonesia. This was partially mitigated by strong stock selection in Taiwan and South Korea.

In China and Hong Kong, our high-conviction holdings like Tencent, CATL and Trip.com were among the top contributors to relative performance. This helped mitigate weakness elsewhere. In Hong Kong, our heavier-than-benchmark exposure detracted due to weak macro sentiment and foreign outflows, with key detractors being AIA Group and Budweiser APAC. We maintain our high conviction in the insurer. AIA continues to deliver strong fundamental results, and we believe that its quality is mispriced. With China's macro backdrop remaining challenging, we consolidated our consumer exposure and exited Budweiser APAC and Aier Eye Hospital. These companies are good-quality companies, and we will revisit them as the domestic growth backdrop improves on the back of further stimulus from the central government.

Elsewhere, Telkom Indonesia failed to meet expectations in the second quarter of 2024, and on reviewing its prospects, we decided to exit the position.

On a more positive note, we saw resilience from some of our holdings in South Korea despite extreme market volatility arising from political turmoil. Korea Shipbuilding & Offshore Engineering (KSOE) benefitted from the strength of the current shipbuilding cycle and expectations that US president-elect Donald Trump's energy policy will boost liquified natural gas (LNG) exports and, in turn, increase demand for LNG carriers, a key area of KSOE's expertise. SK Hynix also performed well, gaining from the growing demand for high bandwidth memory (HBM) for AI processing. It is also developing energy-efficient chips and investing in greenhouse gas reduction technologies. Samsung Electronics, however, was weighed down by concerns over weak demand for smartphones and legacy memories, and the risk of entering the HBM market late. We believe Samsung's investment in HBM capacity reflects its view of HBM visibility, and we are monitoring developments closely.

In Taiwan, we saw our holdings in the tech supply chain perform solidly. Electronic test equipment maker Chroma ATE was buoyed by increased demand for system level testers amid the rising complexity of semiconductor chips. Taiwan Semiconductor Manufacturing Co (TSMC) posted better-than-expected results and was more positive on the AI supply chain. Delta Electronics also stood out. We had added to the position earlier in the year because we thought that the market was undervaluing the company's structural growth from the upgrading of data centres driven by rapid AI development and the need for cloud computing. This was given Delta's market leadership in the power supply business, where power supply would need to be upgraded with each subsequent iteration of more powerful chips and servers.

Market Review

Stock markets in the Asia Pacific excluding Japan region performed well over the 12-month review period despite global volatility, as the world grappled with the continuing Ukraine-Russia conflict, a slowing Chinese economy and changing expectations around US monetary policy amid a strong US economy. It was also an unprecedented election year that saw almost half of the world's population head to the polls, including in India and Indonesia, and latterly the US, the outcome of which caused concerns over the potential impact of US President Donald Trump's tariff policies on Asia.

Against this backdrop, Chinese equities were among the best performers despite fluctuating sentiment on the back of concerns about the highly indebted property sector, geopolitical tensions with the US and uneven economic news flow. The key catalyst was a strong rally in September after a policy pivot by the central government to support the domestic economy. The People's Bank of China unexpectedly announced a raft of monetary support measures, including another 50-basis-point cut to banks' reserve requirement ratios and further reductions in loan prime rates. It also sought to underpin the property market, small business lending and investor sentiment. Towards the end of the review period, news of a low-cost Chinese artificial intelligence (AI) model, DeepSeek, also led to a rally in AI-related stocks and boosted sentiment in China. All this helped offset fears surrounding US tariff risks on Chinese goods and geopolitical developments.

Elsewhere, the Taiwanese stock market performed strongly, supported by its relatively high weighting in the technology sector, as the semiconductor cycle appeared to be nearing its trough. Stocks in Singapore were underpinned by positive earnings results from domestic banks that are index heavyweights, as well as solid macroeconomic data and a stabilising domestic backdrop.

Portfolio Activity and Review

We continued to refine our positioning using earnings visibility and cash flow generation as our key focus points. In addition to the initiations of Trip.com, Mahindra & Mahindra, ICICI Bank, Samsung C&T and Shinshan Financial, noted in the interim report, we also undertook the following key trades in the latter half of the period.

Investment Report

Continued

In China, we introduced JD.com, a leading online retailer reaping the benefits of its asset investments in logistics, on valuation grounds and in expectations of an earnings recovery. We also invested in China Merchants Bank (CMB), the highest-quality lender on the mainland. China's banking market remains a structural growth story, and CMB has capitalised on this through impressive execution over the years, which is a testament to the management's track record. We also invested in shipping business SITC International, which benefits from rising freight rates and offers an attractive yield. We believe SITC has a sustainable competitive advantage and benefits from rising infra-Asia trade.

In India, new positions included Coforge, a mid-sized, niche IT services company with deep domain expertise in banking and financial services, insurance, travel, transport and hospitality, and Phoenix Mills, a leading retail-led developer and operator across India that has quality malls in top-tier cities.

The Philippines' largest bank, BDO Unibank, was a further purchase. It occupies around 20% of the deposit market, and we like it for its quality and market-leading position.

Other initiations included US-listed Freeport-McMoRan, which mainly extracts copper and gold from some of the world's largest mines, including its flagship Grasberg operation in Indonesia, and has seen improving returns in recent times; Samsung Fire & Marine Insurance (SFM), which we view as the country's highest-quality insurer; Taiwan's Hon Hai Precision Industry, a key beneficiary of rising AI server demand; and PTTEP, the exploration and production company arm of Thailand's PTT Plc.

In contrast, we exited Advanced Info Service, Ayala Land, Bank Rakyat Indonesia, China Tourism Group Duty Free, Global Wafers, Maruti Suzuki, Netease, President Chain Store, Prestige Estates, Yageo, Yonyou, Wuliangye Yibin and Wuxi Biologics.

Portfolio Outlook and Strategy

The consensus is that 2025 could be challenging for Asia and emerging markets, with Donald Trump's policies, tariffs and interest rates weighing on the outlook. US deregulation and tax cuts might strengthen the US dollar, which is unfavourable for Asia. On the other hand, attractive valuations in Asia offer the potential for upside surprises underpinned by structural tailwinds. Asian central banks and governments have shown relatively robust fiscal and monetary discipline for over a decade, with healthy corporate and country debt levels adding resilience.

As a region, Asia offers exciting investment opportunities in innovation, globalisation and new consumption as well. It is also home to some of the highest-quality and most dynamic companies globally. Meanwhile, it is encouraging to see greater appreciation for shareholders. The value-up theme runs throughout Asia, with encouragement from shareholders and the authorities, for instance, in South Korea and China. This has benefited our engagement efforts with companies.

We remain positive on Asia, anticipating that China may adopt more aggressive stimulus policies to counter the tariff impact. Among key events over the near term, the most significant would be China's annual Two Sessions parliamentary meeting, which will commence on 5 March. This will offer insights into the Chinese leadership's priority for 2025, especially regarding the domestic economy, and perspectives in terms of how they view the relationship with the US.

February 2025

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	5	6	7
					6	

Risk and reward indicator table as at 31 January 2025.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- Equity Risk – The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk – The use of derivatives may involve additional liquidity,credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Table

Institutional accumulation	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	169.86	189.86	188.58
Return before operating charges*	27.34	(18.48)	2.82
Operating charges	(1.62)	(1.52)	(1.54)
Return after operating charges*	25.72	(20.00)	1.28
Distributions	(2.33)	(2.69)	(2.73)
Retained distributions on accumulation units	2.33	2.69	2.73
Closing net asset value per unit	195.58	169.86	189.86
* after direct transaction costs of:	0.22	0.14	0.11
Performance			
Return after charges	15.14%	(10.53%)	0.68%
Other information			
Closing net asset value (£'000)	1,648,991	1,494,401	1,904,266
Closing number of units	843,135,869	879,784,247	1,002,989,244
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.11%	0.08%	0.06%
Prices			
Highest unit price	206.2	192.9	194.2
Lowest unit price	171.0	166.8	155.4

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.
Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 January 2025

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.79%)		**1,642,730**	**99.62**
North America Equities (0.00%)		**5,500**	**0.33**
United States (0.00%)		**5,500**	**0.33**
190,700	Freeport-McMoRan	5,500	0.33
Pacific Basin Equities (98.17%)		**1,637,230**	**99.29**
Australia (16.78%)		**228,369**	**13.85**
37,960	Aristocrat Leisure	1,432	0.09
1,332,923	BHP	26,698	1.62
431,121	Commonwealth Bank of Australia	34,670	2.10
121,191	CSL	17,059	1.03
2,172,248	Goodman REIT	39,703	2.41
408,069	JB Hi-Fi	20,751	1.26
9,272,260	Mirvac REIT	9,170	0.55
1,178,223	National Australia Bank	23,558	1.43
1,061,919	Northern Star Resources	9,195	0.56
1,468,183	ResMed	29,495	1.79
1,341,861	Woodside Energy	16,638	1.01
China (19.27%)		**396,335**	**24.03**
1,942,380	Alibaba	17,715	1.07
2,402,653	ANTA Sports Products	20,449	1.24
25,635,000	China Construction Bank 'H'	16,761	1.02
4,087,500	China Merchants Bank 'H'	18,007	1.09
1,029,430	Contemporary Amperex Technology 'A'	29,200	1.77
1,125,100	JD.com 'A'	18,234	1.10
103,455	Kweichow Moutai 'A'	16,385	0.99
1,125,000	Li Auto 'A'	10,679	0.65
2,573,462	Meituan 'B'	39,393	2.39
2,345,493	Midea 'A'	19,125	1.16
9,491,431	NARI Technology 'A'	24,178	1.47
163,227	PDD ADR	14,694	0.89

Portfolio Statement

As at 31 January 2025 continued

Holding	Investment	Market value £'000	Percentage of total net assets
893,035	Proya Cosmetics 'A'	8,240	0.50
460,960	Shenzhen Mindray Bio-Medical Electronics 'A'	11,824	0.72
1,417,000	Silergy	13,694	0.83
2,841,620	Tencent	117,757	7.14
Hong Kong (5.73%)		**64,684**	**3.92**
8,274,816	AIA	46,368	2.81
4,709,206	China Resources Land	11,455	0.69
3,602,000	SITC International	6,861	0.42
India (16.31%)		**309,361**	**18.76**
1,442,559	Bharti Airtel	21,812	1.32
205,587	Coforge	15,776	0.96
748,487	Godrej Properties	16,190	0.98
1,526,543	HDFC Bank	24,106	1.46
2,426,189	ICICI Bank	28,246	1.71
3,467,004	ITC	14,415	0.88
643,602	Larsen & Toubro	21,313	1.29
500,414	Mahindra & Mahindra	13,948	0.85
6,786,654	NTPC	20,494	1.24
857,459	Phoenix Mills	13,026	0.79
403,646	Pidilite Industries	10,773	0.65
11,020,116	Power Grid Corporation of India	30,892	1.88
1,671,772	Reliance Industries	19,656	1.19
1,664,019	SBI Life Insurance	22,944	1.39
760,789	Tata Consultancy Services	29,027	1.76
218,387	Tube Investments of India	6,743	0.41
Indonesia (3.83%)		**34,087**	**2.07**
71,003,000	Bank Mandiri	21,473	1.30
52,894,300	Bank Negara Indonesia	12,614	0.77

Portfolio Statement

As at 31 January 2025 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Macau (0.92%)		-	-
Malaysia (1.30%)		**25,144**	**1.53**
17,364,600	CIMB	25,144	1.53
Philippines (0.97%)		**7,824**	**0.47**
4,124,070	BDO Unibank	7,824	0.47
Singapore (1.80%)		**72,685**	**4.41**
874,116	DBS	23,155	1.40
4,902,800	Singapore Technologies Engineering	14,091	0.86
626,100	Trip.com	35,439	2.15
South Korea (14.69%)		**184,122**	**11.17**
66,192	HD Hyundai Electric	15,032	0.91
142,646	HD Korea Shipbuilding & Offshore Engineering	18,330	1.11
44,704	Samsung Biologics	26,742	1.62
1,109,774	Samsung E&A	11,064	0.67
613,464	Samsung Electronics	17,805	1.08
1,301,918	Samsung Electronics (Preference)	31,008	1.88
68,901	Samsung Fire & Marine Insurance	14,540	0.89
426,278	Shinhan Financial	12,065	0.73
340,201	SK Hynix	37,536	2.28
Taiwan (16.55%)		**302,927**	**18.37**
1,204,000	Accton Technology	22,560	1.37
2,435,000	Chroma ATE	22,694	1.38
2,687,000	Delta Electronics	28,908	1.75
6,977,000	Hon Hai Precision Industry	30,882	1.87
1,051,000	MediaTek	37,862	2.30
5,733,398	Taiwan Semiconductor Manufacturing	160,021	9.70

Portfolio Statement

As at 31 January 2025 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Thailand (0.64%)		**11,692**	**0.71**
3,852,000	PTT Exploration & Production (Alien Market)	11,692	0.71
Total investment assets		1,642,730	99.62
Net other assets		6,261	0.38
Total Net Assets		**1,648,991**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 31 January 2024.

Financial Statements

Statement of Total Return

For the year ended 31 January 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Income:					
Net capital gains/(losses)	3		206,148		(210,766)
Revenue	4	36,478		42,747	
Expenses	5	(13,916)		(14,286)	
Interest payable and similar charges		(78)		(51)	
Net revenue before taxation		22,484		28,410	
Taxation	6	(5,192)		(10,769)	
Net revenue after taxation			17,292		17,641
Total return before distributions			**223,440**		**(193,125)**
Distributions	7		(20,094)		(25,776)
Change in unitholders' funds from investment activities			**203,346**		**(218,901)**

Statement of Change in Unitholders' Funds

For the year ended 31 January 2025

	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Opening net assets		**1,494,401**		**1,904,266**
Amounts receivable on the issue of units	26,658		35,099	
Amounts payable on the cancellation of units	(95,055)		(249,931)	
		(68,397)		(214,832)
Dilution adjustment		-		166
Change in unitholders' funds from investment activities (see above)		203,346		(218,901)
Retained distribution on accumulation units		19,641		23,702
Closing net assets		**1,648,991**		**1,494,401**

Financial Statements

Continued

Balance Sheet

As at 31 January 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			1,642,730		1,476,305
Current assets:					
Debtors	8	4,732		9,598	
Cash and bank balances	9	11,406		26,812	
			16,138		36,410
Total assets			**1,658,868**		**1,512,715**
Liabilities:					
Provisions for liabilities	10		(6,816)		(11,028)
Creditors	11	(3,061)		(7,286)	
			(3,061)		(7,286)
Total liabilities			**(9,877)**		**(18,314)**
Net assets			**1,648,991**		**1,494,401**
Unitholders' funds			**1,648,991**		**1,494,401**

Notes to the Financial Statements

For the year ended 31 January 2025

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014 (IMA SORP 2014) and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Manager has undertaken a detailed assessment, and continues to monitor, the fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the fund continues to be open for at least the next 12 months after the financial statements are signed and the Manager is satisfied the fund has adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

(b) Valuation of investments

Investments have been valued at fair value as at the close of business on 31 January 2025. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Manager's best estimate of the amount that would be received from an immediate transfer at arm's length. The Manager has appointed a Fair Value Pricing committee to review valuations.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

Any open positions in derivative contracts or forward foreign currency transactions at the year-end are included in the Balance Sheet at their mark to market value.

(c) Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into Sterling at the prevailing exchange rates as at the close of business on the reporting date.

Foreign currency transactions are translated at the rates of exchange ruling on the date of such transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

(d) Dilution

In certain circumstances (as detailed in the Prospectus) the Manager may apply a dilution adjustment on the issue or cancellation of units, which is applied to the capital of the fund on an accruals basis. The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the fund.

(e) Revenue

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Revenue from collective investment schemes is recognised when the investments are quoted ex dividend.

Accumulation distributions from shares held in collective investment schemes are reflected as revenue and form part of the distribution.

Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

Revenue from offshore funds is recognised when income is reported by the offshore fund operator.

Interest on bank deposits is recognised on an accruals basis.

Interest from short-term deposits is recognised on an accruals basis.

Stock dividends are recognised as revenue when they are quoted ex dividend. In the case of enhanced stock dividends, the value of the enhancement is recognised as capital.

Special dividends may be treated as repayments of capital or as revenue dependent on the facts of the particular case. Where receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend will be recognised as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends are recognised as revenue.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

(f) Expenses

All expenses other than those relating to the purchase and sale of investments are charged against revenue on an accruals basis in the Statement of total return.

Expenses relating to the purchases of investments are charged to the cost of investment and expenses relating to the sales of investments are deducted from the proceeds on sales.

(g) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses.

UK dividends are disclosed net of any related tax credit.

Overseas dividends are disclosed gross of any foreign tax suffered and the tax element is separately disclosed in the taxation note.

The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of any alternative treatment that may be permitted in determining the distribution.

Any windfall overseas tax reclaims received are netted off against irrecoverable overseas tax and therefore the irrecoverable overseas tax line in the taxation note may be negative.

The fund abrdn (Lothian) Pacific Basin Trust is party to certain claims and proceedings to recover tax suffered in respect of overseas income. These claims and proceedings are considered to be contingent assets of the fund and have not been recognised in these Financial Statements as the outcome of the claims and the potential recoveries are not sufficiently certain.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

(h) Distributions

All of the net revenue available for distribution at the year end will be distributed. Where a fund has accumulation unitholders, this will be reinvested.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

(i) Equalisation

Equalisation appears within the fund reports as part of the distribution. This represents the net revenue in the fund's unit price attached to the issue and cancellation of units. It will form part of any distributions at the period end attributable to unitholders.

Notes to the Financial Statements

Continued

2 Risk management policies

Generic risks that the Aberdeen range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to. The RMP must comprise of such procedures as are necessary to enable Aberdeen to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material.

Aberdeen functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest. The risk management function has the necessary authority, access to all relevant information, staff and regular contact with senior management and the Board of Directors of the Company. The management of investment risk within Aberdeen is organised across distinct functions, aligned to the well-established 'three lines of defence' model.

1. Risk ownership, management and control.
2. Oversight of risk, compliance and conduct frameworks.
3. Independent assurance, challenge and advice.

The risk management process involves monitoring funds on a regular and systematic basis to identify, measure and monitor risk and where necessary escalate appropriately, including to the relevant Board, any concerns and proposed mitigating actions.

The risk team, in line with client expectations and the investment process, develops the risk profiles for the funds in order to set appropriate risk limits. Regulatory limits as well as those agreed, are strictly enforced to ensure that Aberdeen does not inadvertently (or deliberately) breach them and add additional risk exposure. In addition, there is an early warnings system of potential changes in the portfolio risk monitoring triggers. Where possible, these are coded into the front office dealing system, in a pre-trade capacity, preventing exposures or breaching limits before the trade is actually executed.

Risk Definitions & Risk Management Processes

i) **Market Risk** is the risk that economic, market or idiosyncratic events cause a change in the market value of Client assets. Market Risk can be broadly separated into two types:

(1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.

(2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

Portfolios are subject to many sub-categories of market risk. Many of these risks are interlinked and not mutually exclusive. Examples of these types of investment risk include: Country risk; Sector risk; Asset-class risk; Inflation/deflation risk; Interest rate risk; Currency risk; Derivatives risk; Concentration risk; and Default risk. Factors that cause changes in market risks include: future perceived prospects (i.e. changes in perception regarding the future economic position of countries, companies, sectors, etc.); shifts in demand and supply of products and services; political turmoil, changes in interest rate/inflation/taxation policies; major natural disasters; recessions; and terrorist attacks.

Notes to the Financial Statements

Continued

There are several ways in which to review and measure investment risk. The risk team recognises that each method is different and has its own unique insights and limits, and applies the following measurements for each fund, where relevant:

- **Leverage:** has the effect of gearing a fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- **Value-at-Risk (VaR) and Conditional VaR (CVaR):** VaR measures with a degree of confidence the maximum the fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility of the fund's returns. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected tail loss, under the assumption that the VaR has been reached.
- **Volatility, Tracking Error (TE):** Volatility measures the size of variation in returns that a fund is likely to expect. The higher the volatility the higher the risk. TE measures the expected magnitude of divergence of returns between the fund and benchmark over a given time.
- **Risk Decomposition:** Volatility, tracking error and VaR may be broken down to show contribution from market related factors ("Systematic" Risk) and instrument specific (Idiosyncratic Risk). This is not a different measure as such, but is intended to highlight the sources of volatility and VaR.
- **Concentration Risk:** By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.
- **Stress Tests and Scenario Analysis:** This captures how much the current portfolio will make or lose if certain market conditions occur.
- **Back Testing:** This process helps to assess the adequacy of the VaR model and is carried out in line with UCITS regulatory requirements (FCA COLL 6.12). Excessive levels of overshoots and the reasons behind them are reported to the Board.

To generate these risk analytics the risk team relies on third party calculation engines, such as APT, Bloomberg PORT+, RiskMetrics and Axioma. Once the data has been processed, it is analysed by the risk team, generally reviewing absolute and relative risks, change on month and internal peer analysis. Any issues or concerns that are raised through the analysis prompt further investigation and escalation if required. Breaches of hard limits are also escalated immediately. All client mandated and regulatory risk limits are monitored on a daily basis.

Stress tests are intended to highlight those areas in which a portfolio would be exposed to risk if the current economic conditions were likely to change. An economic event may be a simple change in the direction of interest rates or return expectations, or may take the form of a more extreme market event such as one caused through military conflict. The stress test itself is intended to highlight any weakness in the current portfolio construction that might deliver unnecessary systematic exposure if the market were to move abruptly.

Stress testing is performed on a regular basis using relevant historical and hypothetical scenarios.

ii) **Liquidity risk** is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- Asset Liquidity Risk – how quickly can assets be sold.
- Liability Risk – managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- Contingency Arrangements or Liquidity Buffers – utilising credit facilities etc.

Liquidity Risk Management Framework

Aberdeen has a liquidity risk management framework in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity assessment and liquidity stress testing is typically performed monthly, monitoring both the asset and liability sides. Asset side stressed scenarios are considered based on the nature of different asset classes and their liquidity risks to demonstrate the effects of a market stress on the ability to sell-down a fund. Liability side analysis includes stress scenarios on the investor profile as well as liabilities on the balance sheet. Any particular concerns noted or liquidity risk limit breaches are escalated to the relevant Committees and Boards, if material.

iii) **Counterparty credit risk** is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories. Credit risk is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, or to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss whereas, the lower credit quality will more likely lead to mark-to-market adjustment.

Transactions involving derivatives are only entered into with counterparties having an appropriate internal credit rating that has been validated by the credit research team and approved by the relevant credit committee. Appropriate counterparty exposure limits will be set and agreed by these committees and the existing credit exposures will be assessed against these limits.

iv) **Operational Risk**

Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

Operational Risk Management

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the Funds are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

Aberdeen Group plc (formerly abrdn plc) (the "Group") Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

3 Net Capital Gains/(Losses)

	2025 £'000	2024 £'000
Non-derivative securities	207,729	(209,242)
Other losses	(1,535)	(1,487)
Transaction charges	(46)	(37)
Net capital gains/(losses)	**206,148**	**(210,766)**

Notes to the Financial Statements

Continued

4 Revenue

	2025 £'000	2024 £'000
Bank and margin interest	1,306	1,306
Income from Overseas Collective Investment Schemes		
Franked income	–	315
Overseas dividends	34,391	40,732
Overseas REIT	781	394
Total revenue	**36,478**	**42,747**

5 Expenses

	2025 £'000	2024 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	12,131	12,466
Registration fees	1,294	1,330
	13,425	13,796
Payable to the Trustee or associates of the Trustee, and agents of either of them:		
Safe custody fee	360	361
Trustee fees	113	102
	473	463
Other:		
Audit fee	9	11
Professional fees	9	16
	18	27
Total expenses	**13,916**	**14,286**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £13,860 (2024: £12,960).

6 Taxation

	2025 £'000	2024 £'000
(a) Analysis of charge in year		
Overseas taxes	2,390	2,634
Overseas capital gains tax	7,014	4,519
Total current tax	9,404	7,153
Deferred tax (note 6c)	(4,212)	3,616
Total taxation (note 6b)	**5,192**	**10,769**

Notes to the Financial Statements

Continued

	2025 £'000	2024 £'000
(b) Factors affecting total tax charge for the year		
The tax assessed for the year is greater than (2024: greater than) the standard rate of corporation tax in the UK for authorised unit trusts (20%). The differences are explained below:		
Net revenue before taxation	**22,484**	**28,410**
Corporation tax at 20% (2024: 20%)	4,497	5,682
Effects of:		
Revenue not subject to taxation	(6,877)	(8,210)
Overseas taxes	2,390	2,634
Overseas tax expensed	(17)	(8)
Excess allowable expenses	2,397	2,536
Overseas capital gains tax	7,014	4,519
Deferred tax	(4,212)	3,616
Total tax charge for year (note 6a)	**5,192**	**10,769**

Authorised unit trusts are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Deferred tax

	2025 £'000	2024 £'000
Deferred tax charge at the start of the year	11,028	7,412
Deferred tax charge in statement of total return for year (note 6a)	(4,212)	3,616
Provision at the end of the year	**6,816**	**11,028**

(d) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £39,477,000 (2024: £37,080,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

7 Distributions (including the movement between net revenue and distributions)

	2025 £'000	2024 £'000
Distribution	19,641	23,702
Add: Income deducted on cancellation of units	667	2,321
Deduct: Income received on issue of units	(214)	(247)
Total distributions for the year	**20,094**	**25,776**

Notes to the Financial Statements

Continued

	2025 £'000	2024 £'000
Movement between net revenue and distributions		
Net revenue after taxation	17,292	17,641
Overseas capital gains tax on realised gains	7,014	4,519
Overseas deferred capital gains tax on unrealised gains	(4,212)	3,616
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions for the year	**20,094**	**25,776**

Details of the distribution per unit are set out in this fund's distribution table.

8 Debtors

	2025 £'000	2024 £'000
Accrued revenue	1,606	2,687
Overseas withholding tax recoverable	1,675	1,629
Sales awaiting settlement	1,451	5,282
Total debtors	**4,732**	**9,598**

9 Liquidity

	2025 £'000	2024 £'000
Cash and bank balances		
Cash at bank	8,176	22,786
Deposits with original maturity of less than 3 months	3,230	4,026
	11,406	**26,812**
Net liquidity	**11,406**	**26,812**

10 Provisions for Liabilities

	2025 £'000	2024 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	6,816	11,028
Total provisions for liabilities	**6,816**	**11,028**

Notes to the Financial Statements

Continued

11 Creditors

	2025 £'000	2024 £'000
Accrued expenses payable to the Manager	1,152	2,155
Accrued expenses payable to the Trustee or associates of the Trustee	106	104
Amounts payable to the Manager for cancellation of units	-	530
Capital gains tax payable	363	1,195
Other accrued expenses	8	10
Purchases awaiting settlement	1,432	3,292
Total creditors	**3,061**	**7,286**

12 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Fund Manager, is a related party and acts as principal in respect of all transactions of units in the fund.

The aggregate monies received through issue and paid on cancellation of units are disclosed in the statement of change in unitholders' funds.

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 11.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 5 and any amounts due at the year end in note 11.

13 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
Trades in the year	**2025 £'000**	**2024 £'000**	**2025 £'000**	**2024 £'000**
Equities	641,063	401,511	684,007	537,077
Collective investment schemes	-	-	-	26,792
Corporate actions	-	-	268	-
Trades in the year before transaction costs	**641,063**	**401,511**	**684,275**	**563,869**
Commissions				
Equities	298	203	(261)	(236)
Total commissions	**298**	**203**	**(261)**	**(236)**

Notes to the Financial Statements

Continued

Trades in the year	Purchases 2025 £'000	Purchases 2024 £'000	Sales 2025 £'000	Sales 2024 £'000
Taxes				
Equities	364	175	(1,004)	(721)
Total taxes	**364**	**175**	**(1,004)**	**(721)**
Total transaction costs	**662**	**378**	**(1,265)**	**(957)**
Total net trades in the year after transaction costs	**641,725**	**401,889**	**683,010**	**562,912**

Total transaction costs expressed as a percentage of asset type cost	Purchases 2025 %	Purchases 2024 %	Sales 2025 %	Sales 2024 %
Commissions				
Equities	0.05	0.05	0.04	0.04
Taxes				
Equities	0.06	0.04	0.15	0.13

Total transaction costs expressed as a percentage of net asset value	2025 %	2024 %
Commissions	0.03	0.03
Taxes	0.08	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.24% (2024: 0.19%), this is representative of the average spread on the assets held during the year.

14 Units in Issue Reconciliation

	Opening units 2024	Creations during the year	Cancellations during the year	Closing units 2025
Institutional accumulation	879,784,247	14,292,304	(50,940,682)	843,135,869

15 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

Fair value of investment assets	2025 £'000 Level 1	2025 £'000 Level 2	2025 £'000 Level 3	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3
Equities	1,642,730	-	-	1,476,305	-	-
Total investment assets	**1,642,730**	**-**	**-**	**1,476,305**	**-**	**-**

16 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2025 £'000	Net foreign currency exposure 2024 £'000
Australian Dollar	228,208	250,956
China Renminbi	108,952	96,350
Hong Kong Dollar	359,626	270,480
Indian Rupee	304,741	252,962
Indonesian Rupiah	34,113	57,281
Malaysian Ringgit	25,144	19,492
Philippines Peso	7,824	14,434
Singapore Dollar	37,246	26,972
South Korean Won	184,793	226,632
Taiwan Dollar	316,621	259,152
Thai Baht	11,692	9,528
US Dollar	21,940	10,979
Total	**1,640,900**	**1,495,218**

At 31 January 2025, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to unitholders from investment activities will increase or decrease by approximately £82,045,000 (2024: £74,761,000).

Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Notes to the Financial Statements

Continued

As at 31 January 2025, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £82,137,000 (2024: £73,815,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 January 2025 (2024: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2025 £9,877,000 (2024: £18,314,000).

Distribution Table

For the year ended 31 January 2025 (in pence per unit)

Final dividend distribution

Group 1 – units purchased prior to 1 February 2024
Group 2 – units purchased between 1 February 2024 and 31 January 2025

	Revenue	Equalisation	Distribution paid 31/03/25	Distribution paid 28/03/24
Institutional accumulation				
Group 1	2.3295	–	2.3295	2.6941
Group 2	0.8409	1.4886	2.3295	2.6941

Equalisation

This applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Remuneration (Unaudited)

Remuneration Policy

The Aberdeen Goup plc Remuneration Policy (the "**Policy**") applies with effect from 1 January 2024. The purpose of the Policy is to document clearly the remuneration policies, practices and procedures of Aberdeen as approved by the Aberdeen Group plc Remuneration Committee (the "**Committee**"). The Policy is available on request.

The Policy applies to employees of the Aberdeen group of companies ("**Group**" or "**Aberdeen**"), including UCITS V Management Companies ("**ManCos**") and the UCITS V funds that the ManCo manages.

Remuneration Principles

Aberdeen applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients / customers.
- Our remuneration structure is flexible to accommodate the different challenges and priorities across all businesses and functions as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.
- Total remuneration delivered is affordable for the Group.

Remuneration Framework

Employee remuneration is composed of fixed and variable elements of reward as follows:

a) Fixed remuneration (salary and cash allowances, where appropriate; and Benefits (including pension).

b) Variable remuneration (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

a) Fixed and variable components of total remuneration are appropriately balanced; and

b) The fixed component is a sufficiently high proportion of total remuneration to allow Aberdeen to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and / or Group performance does not support such an award.

Remuneration (Unaudited)

Continued

Base salary	Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.
Benefits (including retirement benefit where appropriate)	Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements. Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Annual bonuses are based upon Group, Business, Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("**MRTs**"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors, incorporating consideration of all risk categories, including sustainability risks* (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations. abrdn Fund Managers Limited has specific obligations to act in the best interests of the UCITS V funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process. The overall bonus pool is allocated to businesses and functions based on absolute and relative performance of each business and function and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision / team is determined on a discretionary basis by the business / function and regional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities. Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and non-financial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, to reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).
Other elements of remuneration – selected employees	The following remuneration arrangements may be awarded in certain very limited circumstances: **Carried Interest Plans** – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group. **Buy-Out Awards / Guaranteed Bonuses** – These are intended to facilitate / support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment. **Retention and Special Performance Awards / LTIP** – Supports retention and / or the delivery of specific performance outcomes and / or to incentivise senior employees to support the long-term, sustained performance of Aberdeen. The Company may determine that it is appropriate to grant such awards in limited circumstances. Awards are structured to deliver specific retention and / or performance outcomes. Retention and / or special performance awards comply with all relevant regulatory requirements. **Severance Pay** – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.

*According to SFDR, sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Remuneration (Unaudited)

Continued

Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority and have their remuneration directly overseen by the Committee.

Conflicts of interest

The Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group, this never relates to their own remuneration.

Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

UCITS V Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the UCITS V funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Fund Managers Limited to its UCITS V 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2024 to 31 December 2024** inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited[1]	**1,011**	**143,746**
of which		
Fixed remuneration		108,512
Variable remuneration		35,234
abrdn Fund Managers Limited 'Identified Staff'[2]	**98**	**45,049**
of which		
Senior Management[3]	40	28,552
Other 'Identified Staff'	58	16,497

[1] As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of Aberdeen's total remuneration fixed and variable pay, apportioned to the ManCo on an AUM basis. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
[2] The Identified Staff disclosure relates to UCITS V MRTs and represents total compensation of those staff of the ManCo who are fully or partly involved in the activities of the ManCo.
[3] Senior Management are defined in this table as ManCo Directors and members of the Aberdeen Group plc Board, together with its Executive and Group Operating Committees, Investment Executive members and the Chief Product and Marketing Officer.

Further Information

abrdn (Lothian) Pacific Basin Trust is an authorised unit trust scheme, under the FCA regulations.

Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

Documentation and Prices

The current Prospectus for the abrdn (Lothian) Pacific Basin Trust is available to download at **www.aberdeeninvestments.com**. Copies of the Key Investor Information Documents (KIIDs) and the Annual (and if issued later the interim) Report and Accounts are available on request from the Manager.

Notices/Correspondence

Please send any notices to abrdn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the Manager will only be effective when actually received by the Manager. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the Manager, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, Aberdeen, PO Box 12233, Chelmsford CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email **complaints@aberdeenplc.com** in the first instance. Alternatively if you have a complaint about the Company or funds you can contact the Trustee directly. A leaflet detailing our complaints procedure is available on request.

We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email **complaint.info@financial-ombudsman.org.uk** or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK – calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: **www.fscs.org.uk**.

UCITS

The fund was certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the Manager to market the fund in member States of the European Union subject to relevant local laws, specifically marketing laws.

Important Information

Issued by abrdn Fund Managers Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom.